

TITLE 22. HEALTH PLANNING AND FACILITY CONSTRUCTION

Chapter 16. Vocational Nurse Scholarship and Loan Repayment Program

NOTICE OF PROPOSED RULEMAKING

The Office of Statewide Health Planning and Development (“Office”) proposes to adopt regulations to establish the statewide Vocational Nurse Scholarship and Loan Repayment Program that is created in Health and Safety Code section 128485. The Office will consider all comments, objections, and recommendations regarding the proposed action.

PUBLIC HEARING

The Office has not scheduled a public hearing on this proposed action. However, the Office will hold a hearing if it receives a written request for a public hearing from any interested person, or his or her authorized representative, no later than fifteen (15) days before the close of the written comment period.

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Office. The written comment period closes at 5:00 P.M. on January 23, 2006. The Office will consider only comments received at the Office by that time. Submit comments to:

Diane Tomoda
Interim Executive Director
Health Professions Education Foundation
818 K Street, Room 210
Sacramento, CA 95814

AUTHORITY AND REFERENCE

Health and Safety Code section 127010 establishes the director of the office shall have powers of a head of the department. Government Code section 11152 establishes the head of each department may adopt such rules and regulations as are necessary to govern the activities of the department and may assign to its officers and employees such duties as he sees fit. The purpose of the proposed regulations is to implement, interpret, or make specific sections 128475 through 128501 of the Health and Safety Code.

INFORMATIVE DIGEST / POLICY STATEMENT OVERVIEW

The Office proposes to adopt sections 97900 through 97927 in Title 22 of the California Code of Regulations. The purpose of the regulations is to establish the provisions to administer the statewide Vocational Nurse Scholarship and Loan Repayment Program.

Health and Safety Code section 128475 provides financial assistance to vocational nursing students and graduates who agree to a period of obligated professional service in a medically underserved area in California.

Section 97900 Chapter Definitions will define the terms contained in Chapter 16 of Title 22 of the CCR. The Office is proposing sixteen (16) definitions.

Section 97901 Available Funding will specify that scholarships and loan repayments shall be limited by the amount of funds in the Vocational Nurse Education Fund.

Section 97902 Exceptions to Service or Payment Obligations for Scholarships or Loan Repayment Awards will specify that exceptions to service or payment obligations shall be made under certain circumstances.

Section 97910 Scholarship Eligibility will specify that vocational nursing students and licensed vocational nurses enrolled as associate degree nursing students may apply for a scholarship. This section also specifies that applicants with a contractual service obligation to another entity are ineligible to receive a scholarship.

Section 97911 Duration and Terms of Scholarship Award will specify that a scholarship shall be awarded for one (1) academic year at a time and additional awards may be granted if certain conditions are met.

Section 97912 Permissible Scholarship Costs will specify that a scholarship shall support educational expenses for a vocational nursing or associate degree nursing education.

Section 97913 Scholarship Application Process will specify that a completed application shall contain specific information and that there are two (2) annual opportunities to apply for this program.

Section 97914 Scholarship Selection Process will specify that the Foundation shall consider factors that may indicate the probability of program success, and the nursing or vocational nursing workforce needs of the state and of the medically underserved areas.

Section 97915 Disbursement of Scholarship Award will specify that the scholarship amount shall be issued to the educational institution where the recipient is enrolled, and the educational institution shall deduct tuition and other fees and issue a check for the balance to the recipient.

Section 97916 Service Obligation Provisions for Scholarship Recipient will specify that the scholarship recipient shall agree to a contractual service obligation to practice nursing for twenty four (24) months in a medically underserved area. The proposed regulation will specify that vocational nursing student must begin their mandatory service obligation within twelve (12) months of graduation, and the licensed vocational nurse

who is an associate degree nursing student must begin their mandatory service obligation within six (6) months of graduation.

Section 97917 Penalties for Failure to Comply with Requirements of Program will specify that failure to complete the academic program and/or service obligation shall result in repayment of the scholarship award plus interest.

Section 97920 Loan Repayment Eligibility will specify that an applicant must be a licensed vocational nurse practicing direct patient care in a medically underserved area. This section also specifies that applicants with a contractual service obligation to another entity are ineligible to receive a loan repayment.

Section 97921 Loan Repayment Awards will specify that the loan repayment shall repay outstanding governmental and commercial educational loans related to the recipient's vocational nurse education. This section also specifies that the loan repayment award shall not exceed the estimated annual average cost of vocational programs throughout the state and the Office may repay all or part of a particular loan.

Section 97923 Terms of Loan Repayment specifies that loan repayments shall be made on a quarterly basis and a quarterly report and updated lender statement must be provided before loan repayment funds are released. This section also specifies that, should the outstanding loan(s) be repaid by the Office and funds remain in the recipient's contract, those funds shall be disbursed directly to the program recipient. This section also requires the recipient to make concurrent loan repayments.

Section 97924 Loan Repayment Application Process will specify that a completed application shall contain specific information and that there are two (2) annual opportunities to apply for this program.

Section 97925 Selection Process will specify that the Foundation shall consider the nursing or vocational nursing workforce needs of the state and of medically underserved areas.

Section 97926 Service Obligation Provisions for Loan Repayment Recipient will specify that the loan repayment recipient shall agree to a contractual service obligation to practice vocational nursing for twenty four (24) months in a medically underserved area. The section specifies that the service obligation shall commence upon the signing of the contract between the Office and recipient, and shall be fulfilled in a full-time basis.

Section 97927 Penalties for Failure to Comply with Requirements of Program shall specify that failure to meet program requirements shall result in repayment of the loan repayment award plus interest.

DISCLOSURE REGARDING THE PROPOSED ACTION

The Office had made the following determinations:

- Mandate on local agencies and school districts: None
- Cost or savings to any state agency: Additional expenditures of \$138,000 has been allocated in the Governor's FY 2005-06 Budget.
- Cost to any local agency or school district which must be reimbursed in accordance with Government Code sections 17500 to 17630: None
- Other non-discretionary cost or savings imposed on local agencies: None
- Cost or savings in federal funding to the state: None
- Significant, statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states: None. The Office has determined that the proposed regulations do not affect small business because these regulations pertain to vocational nursing students and graduates.
- Cost impacts on a representative private person or businesses: The Office is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.
- Adoption of these regulations will not do any of the following: (1) Create or eliminate jobs within California; (2) create new businesses or eliminate existing businesses within California; or (3) affect the expansion of businesses currently doing business within California.
- Significant effect on housing costs: None

CONSIDERATION OF ALTERNATIVES

The Office must determine that no reasonable alternative considered or that has otherwise been identified and brought to its attention would either be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposal described in this Notice.

The Office invites interested persons to present statements or arguments with respect to alternatives to the proposed regulations during the written comment period.

CONTACT PERSON

Inquiries concerning the proposed administrative action may be directed to:

Diane Tomoda
Interim Executive Director
Health Professions Education Foundation
818 K Street, Room 210
Sacramento, CA 95814
(916) 324-6500

The backup contact person for these inquiries is:

Monique Voss
Program Director
Health Professions Education Foundation
818 K Street, Room 210
Sacramento, CA 95814
(916) 324-6500

AVAILABILITY OF TEXT OF PROPOSED REGULATIONS AND STATEMENT OF REASONS

The Office shall have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the above address. As of the date this Notice is published in the Notice Register, the rulemaking file consists of this Public Notice, the proposed text of regulations, the Initial Statement of Reasons, and materials upon which the Office relied in developing the regulations. Copies may be obtained by contacting Diane Tomoda at the address and telephone number noted above.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After the close of the written comment period and considering all timely and relevant comments received, the Office may adopt the proposed regulations substantially as described in this notice. If the Office makes modifications that are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least fifteen (15) days before the Office adopts the regulations as revised. Please send requests for copies of any modified regulations to the attention of Diane Tomoda at the address indicated above. The Office will accept written comments on the modified regulations for fifteen (15) days after the date on which they are made available.

AVAILABILITY OF FINAL STATEMENT OF REASONS

At the conclusion of this rulemaking, a Final Statement of Reasons will be prepared as required by Government Code section 11346.9. This document will be available from the contact person named above.

AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Public Notice, the Initial Statement of Reasons, and the text of regulations in underline and strikeout may be accessed through our websites at www.oshpd.ca.gov and www.healthprofessions.ca.gov .